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An Overview of Brown County's 2014 Annual Trending

The following steps were taken to conduct the 2013 annual trending in Brown County:

General Overview:

Overall the Brown County market remains flat. For the entire trending process sales from 1/1/2012 through 2/28/2013 were used. The only exception to this was the inclusion of sales from the 2012 period for the Commercial Improved study as there were only a limited number of 2013/2014 sales. There was no time adjustment of any sales, due to percentage of change remaining flat. The Hamblen Conservancy taxing district continues to be the most active of all sales areas within the county. Sales from the Cordry/Sweetwater Lake area remain rather stable to a slight increase for the desirable properties. Although there are some bank and short sales in this area. Overall, it is very parcel specific. For the balance of the county the number of sales remains constant with past years and sale prices also remain fairly stable, with some areas experiencing a slight increase and others a slight decrease.

Brown County has only one township (Washington) where the number of vacant commercial properties exceeds a count of twenty-five (25). The majority of these is supporting properties for an improved parcel and actually should be combined. Due to the limited number of vacant commercial properties, there was no sales activity for this grouping. The last vacant commercial parcel sold in 2010 and was not included in the study due to its age.

The county implemented the new depreciation year as well as the suggested location code multiplier (LCM) as provided by the DLGF. Every residential neighborhood was analyzed. Sales were the primary base for any market factor changes. Additional information such as appealed properties and the net result of the depreciation change and LCM change was also taken into consideration when determining neighborhood factor adjustments.

Commercial and Industrial parcels were also updated with the new depreciation year and LCM change.

The Non-Ag categories (Residential Improved, Residential Vacant, Commercial Improved and Commercial Vacant, Industrial Improved and Industrial Vacant) were reviewed by township for percentage of change determining if any of the townships experienced greater than a 10% increase or greater than a 25% decrease. Hamblen Township (Commercial Improved) experienced a greater than 10% increase (+13%). This was solely due to one parcel (07-01-05-200-101.000-006) which experienced an increase of \$110,100 or 324.78%. This one parcel made up 83% of the township's increase. The increase was the result of new construction (2 new buildings, plus a remodel of a 3rd building).

Land Values:

Land base rates were reviewed and as a whole were left unchanged. The primary Cordry/Sweetwater water frontage neighborhood (7065010) had its land base rate increased dramatically to offset artificial neighborhood factor that had been applied. Overall total values remained relatively the same. There was one other neighborhood that had a reduction in its land base rate. The new agricultural land rate was also implemented. Where applicable the county also took measures to administratively combine parcels. This will continue to be an on-going effort.

Market Adjustment Factors (Residential):

As a result of the new depreciated year and LCM update, almost every improved residential property was affected in some manner. As stated above, Brown County remains relatively stable especially for its residential properties, with the Hamblen Conservancy area being the most active. Within township of Washington one neighborhood previously known as number 7035160 was condensed into neighborhood 7035170. New construction continues to take place throughout the county but there aren't any newly developed subdivisions being platted.

Commercial / Industrial:

As with the residential properties, the depreciation year and LCM was also changed for commercial properties. Only the township of Washington had any activity, as it is only one of two townships that has more than twenty-five (25) commercial improved properties. The other being Jackson. There are only a total of seven (7) improved industrial properties in the entire county.

Use of Sales information

Brown County is committed to utilizing as many valid sales as possible, including multiple parcel sales. As stated above, the time period for sales used was from January 1, 2012 through February 28, 2013 for all class studies. The one exception would be the Commercial Improved grouping as it was expanded to include sales from 2012. There was no time adjustment for any of the sales used. An additional file, titled *Brown Ratio Study Sales Reconciliation file* has been included with the submission of the ratio study. This file has two worksheets; 1. "Trimmed sales" = detailed information of those sales the DLGF provided the county that required an explanation, 2. "Additional sales" = listing of sales that were also included in the study that occurred during the 2013/2014 timeframe. Some of these sales were originally marked as being valid but for some unknown reason were not included on the DLGF's Sales Reconciliation file as well as a few additional sales that had originally been marked as being invalid. Of the 242 sales the state provided as needing an explanation twenty-eight (28) were trimmed. See report for specific details. An additional sixteen (16) sales were used in the study that occurred during the 2013/2014 timeframe. Brown County is committed to using as many sales as possible, evident by the extreme number of multiple parcel sales included in the study. Multiple parcel sales accounted for approximately sixteen percent of the total sales used in the county (38/233). The total number of sales used in the study was a slight increase over last year.